The Outlook for Organic Agriculture

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U.S. Organic Agriculture

• Organic agricultural systems use cultural, biological, and mechanical practices that support the cycling of on-farm resources, promote ecological balance, and conserve biodiversity.

• In 2014, the United States was the world’s largest single market for organic foods (followed by Germany, France and China), and ranked third in terms of organic agricultural land.
Fruits and vegetables is the top category in organic retail sales

U.S. organic food retail sales, 2005-2015e—Fruits and vegetables are still the top category

Organic milk leads in terms of market penetration

Retail market share for organic eggs, milk, and the top fruits and vegetables increased from 2009 to 2014, matching commodity increases

Percent of total (organic and nonorganic) sales

Source: USDA, Economic Research Service and data from market research company IRI for the 2009-14 period.
Organic milk and eggs command highest premiums

Eggs and milk have the highest premiums of the organic products studied

- Spinach, 7
- Granola, 22
- Carrots, 27
- Potatoes, 28
- Apples, 29
- Baby food - junior, 29
- Bread, 30
- Baby food - strained, 31
- Soup, 33
- Celery, 44
- Coffee, 47
- Yogurt, 52
- Spaghetti sauce, 53
- Canned beans, 54
- Salad mix, 60
- Milk, 72
- Eggs, 82

Percent above nonorganic price

Forecast Sales of Fastest Growing Organic Packaged Food Products (2015-2020)

- Organic confectionery: 60%
- Organic sweet and savory snacks: 34%
- Organic ice cream and frozen desserts: 32%
- Organic baby food: 29%
- Organic soups: 29%
- Organic sauces, dressings & condiments: 28%

Source: Euromonitor International
U.S. certified organic cropland has increased in most years since 2002

1Estimates for 2011 and prior years may be more comprehensive because USDA obtained an incomplete response or no response from some certifiers in the 2014-15 organic certifier survey. Source: USDA, Economic Research Service, based on information from USDA Accredited State and private organic certifiers (2002-08, 2010-11) and USDA, National Agricultural Statistics Service, based a survey of USDA Accredited State and private organic certifiers (2014 and 2015).
In 2015, the market value of certified organic agricultural products was $6.2 billion.

Source: USDA-NASS 2015 Certified Organic Survey

Top Commodities – Certified Organic Farm Sales ($million)

**Top livestock/poultry sales:**
1. Milk (1,174)
2. Eggs (732)
3. Broiler chickens (420)
4. Cattle (233)

**Top crop sales:**
1. Apples (302)
2. Lettuce (262)
3. Grapes (210)
4. Spinach (154)
5. Strawberries (151)
6. Blueberries (124)
7. Corn for grain (129)
Certified organic operations are concentrated in the West, Northeast and Upper Midwest

These states accounted for 78% of all certified organic farm sales

Organic sales in 2015 ($ million)
- California: $2,436
- Washington: $626
- Pennsylvania: $332
- Oregon: $269
- Wisconsin: $222
- New York: $221
- Texas: $210
- Michigan: $187
- Colorado: $155
- Arizona: $129

Note: The category “Food handlers only” includes food processors, manufacturers, and other handlers.

31 organic export commodities tracked - mostly fruits & vegetables

In 2015, the value of U.S. organic tracked exports was $545 million

Canada and Mexico are the two top organic export markets (78%)


Asparagus, beets, berries, limes, peaches & nectarines, peas, watermelons added

Initial 23 commodities

Cabbage, cucumbers, grapefruit added

Source: USDA/FAS GATS database

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In 2015, the value of U.S. organic tracked imports was $1.6 billion.

In 2015, the top U.S. organic imports were bananas, coffee, and olive oil.

33 organic import commodities tracked


Source: USDA/FAS GATS database
Supply & Demand of Organic Grains in the United States

• There is a growing demand for organic meat and milk products; however, these two sectors are currently facing shortages of domestically-produced organic feed grains and soybeans.

• Field crops remain a very small portion of the U.S. organic agriculture. Organic corn accounts for 0.3% share of total corn production, whereas organic soybeans have a 0.2% share.
Trade data shows increases in imports of organic corn and soybeans

U.S. Imports of Organic Soybeans and Corn from 2013 to 2016 (Metric Tons)

Source: USDA/FAS GATS database
Organic price premiums of corn and soybeans diminished during the economic recession

U.S. Organic and Conventional Corn Prices ($/bushel) 2007-2016


Sources: USDA National Organic Grain and Feedstuffs Biweekly Reports and USDA-NASS, Agricultural Prices.
USDA information on organics

**USDA-ERS Organic Topic Page** (links to ERS reports, articles, and data products)


**USDA Organic Topic Page**


**USDA-AMS Organic Integrity Database**

https://organic.ams.usda.gov/integrity/